

FOUNTAIN COURT CONDOMINIUMS
Management Report
Month of January, 2006

Metairie Bank Operating Account Current Statement Balance.....	\$22,895.01
Metairie Bank Insurance Account Current Statement Balance	\$16,250.33
Metairie Bank Replacement Account Current Statement Balance	<u>\$28,470.29</u>
Total Cash On Hand As Of January 31, 2006.....	\$67,615.63

Please note that the Replacement Account balance has not changed very much from the Pre Katrina report which is a result of numerous unit owners not paying their monthly condo dues. This account has not been funded from the Operating Account since August, 2005 which amounts to \$12,000.00. We have been able to fund our Insurance Account out of which we paid a premium deposit of \$15,000.00 for our windstorm policy renewal which did not increase from last year. The balance of this premium, approximately \$25,000.0, is financed at \$2,700.00 per month for 10 months. Our Flood Insurance renewal premium, approximately \$15,000.00, is due April, 2006.

The Operating Account has a \$22,895.01 balance, as a result of approximately \$23,000.00 transferred from Katrina insurance money of unit owners who were seriously past due in paying their monthly condo dues. Board has not yet decided to transfer \$12,000.00 of this balance to the Replacement Account.

It seems that several unit owners still cannot understand who the insured is regarding Katrina insurance money. Contrary to misinformation from the rear building and to repeat what our attorney, the State of Louisiana and Fidelity Insurance Company said, "Fountain Court Condominium Association, Inc. and not the unit owner is the insured and all payments will be made to the Association with which the Board has the authority to disperse as they determine". Fidelity Insurance Company advised that the Board is doing everything correctly, except that one contractor should have handled all repairs.

FCC finally received their final flood payment for the rear building which reflected the higher estimates of loss the Board and Management submitted to Fidelity Insurance Company. The initial advance payment from Fidelity in October, 2005 was based on THEIR PRELIMINARY estimates which we felt were too low, but in order to facilitate some payment to rear building unit owners with flood damage the Board decided to base their 50% advance payments on the low preliminary estimates with the hope that their submitted revised higher estimates would be approved. The Board did not learn of the approved higher estimates until they received the final check which will result in higher final payments.

Repairs to the west side wood fence got underway at a most reasonable price. In addition, replacement of the windstorm damaged gutters began, to include replacement of all other gutters with 6" instead of 4" gutters and down spouts.

As a result of a Jefferson Parish electrical inspection the north rear building wing was noted for violations which were repaired. Initially the inspector called for all meters in this wing to be pulled, but our electrician handled the matter to assure the Parish that repairs would be completed quickly which rescinded the order.

Some unit owners have not begun repairs to their units even though they received substantial advance money to do so. We have asked the insurance companies what is the deadline for applying for our depreciation money. If it is one year from the date of the storm, time is getting short and if ALL units are not completed at this time it will jeopardize recovery of depreciation money for all. We have asked our attorney if FCC can lien units that have not started repairs and if FCC can take over repairs.

Thanks to James Williams, Board member, for being very active in our recovery. In the absence of a management office his unit has had a lot of traffic. Thanks, again.